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PETITION

Against Mr. RANKIN'S Bill for a Second Charter for
the line of the Great Southern Railway.

*To the Honorable the Legislative Assembly of the Province of
Canada in Parliament Assembled.*

The Petition of ISAAC BUCHANAN, of Hamilton, Esquire,

HUMBLY SHEWETH,

That the Legislature of the Province of Canada have passed the
following Acts :

First.—10 and 11 Victoria, cap. 117; An Act to incorporate
the Woodstock and Lake Erie Railway Company, under which
the Company had power to construct a Railway between Wood-
stock and the Harbors of Port Dover and Port Burwell inclusive,
on Lake Erie.

Second.—16 Victoria, cap. 239; An Act to amend and extend
the Charter of the Woodstock and Lake Erie Railway and Harbour
Company, under which the said Company had power to extend
their Railway from Port Dover (or from Simcoe or from any
point between those two places) to Dunnville, in the County of
Haldimand.

Third.—18 Victoria, cap. 179, An Act to amend the Charter
of the Woodstock and Lake Erie Railway and Harbor Company,
under which the said Company had power to extend their Railway
from Dunnville to, at or near the Suspension Bridge, across the
Niagara River, in the Township of Stamford, in the County of
Welland; and also to extend their Railway from Otterville, in the
County of Oxford, or from Port Dover, in the County of Norfolk;
or from any part between the two last mentioned places to Saint
Thomas, in the County of Elgin; and the Company was thereby
also empowered to amalgamate with any other Company.

Fourth.—19 Victoria, cap. 74; An Act to amend the Act of Incorporation of the Woodstock and Lake Erie Railway and Harbor Companies, under which the Municipalities of Woodstock, South Norwich, North Norwich, Simcoe, Wyndham and Woodhouse, and other Municipalities near to the said Railway or amalgamated Railways were authorized to aid and assist the said Company.

Fifth.—18 Victoria, cap. 183; An Act to incorporate the Amherstburgh and Saint Thomas Railway Company, under which the Company had power to construct a Railway on and over any part of the country lying between the Detroit River at or near Amherstburgh, to, into or through the Town of St. Thomas, or as near to it as might be convenient; and power to construct a Branch Railway from their main line at such point as might be found most convenient to connect the Village of Windsor with the Town of Amherstburg; and also power to construct docks and have Steam Ferry-boats at the Western terminus; and also power to amalgamate with any Railway Company East of St. Thomas, either to the Niagara River or to any Port on Lake Ontario, or to both of them.

Sixth.—19 Victoria, cap. 113; An Act to amend and extend the Charter of the Amherstburgh and Saint Thomas Railway Company, under which the Company had power to unite with any other Railway Company, whose Railway intersects that of the said Company, or touches a place where their road also touches.

That Your Petitioner has heard with the utmost alarm, that a Bill has been introduced into Your Honorable House to incorporate a Company to be called "The Great Southern Railroad Company," with the view of covering the very same ground now occupied by the two Chartered Companies above referred to, viz: The Woodstock and Lake Erie Railway and Harbor Company, and the Amherstburgh and St. Thomas Railway Company, which, together, constitute the through line or whole country from Detroit River to the Niagara River, at the Suspension Bridge.

That the Acts of 18 Victoria, cap. 179; the 19 Victoria, cap.

74, and the 18 Victoria, cap. 183, had each special reference to an amalgamation of the several lines of Railway chartered as above, and had evident reference to the formation, by such links, of an entire chain of Railway to constitute a through Southern line, and that with special reference to such amalgamation the Municipalities mentioned in the Act, chapter 74, of the last Session, which had already invested £145,000 of public money, borrowed by them from the Consolidated Loan Fund, in one of the said chartered Companies, were authorized further to aid and assist in the construction of the said Railways, and for that purpose to submit certain By-laws to the rate-payers of such Municipalities, which have since been duly ratified in accordance with the requirements of the said Act; and but for the death of Mr. Samuel Zimmerman, the amalgamation of the two Companies into one Great Southern Railway would ere this have been effected, under arrangements for that purpose which were progressing and all but completed when the accident happened which caused his death.

That no notice was given in the "Official Gazette" of this Province, nor in any local newspaper, of any intention to apply to Parliament for a Bill to incorporate the Great Southern Railroad Company, and Your Petitioner believes that such an idea was never contemplated or thought of until the Petition, dated the 16th April, 1857, from J. W. Keating and three others, was presented to Your Honorable House; and that consequently Your Petitioner and others, whose interests would be materially affected by the incorporation of the Great Southern Railroad, as a scheme competing in the most direct form with the above chartered interests, had no opportunity to organize an opposition to the said scheme, and are now unexpectedly called upon to protect, as best they may, their property invested under Legislative sanction.

That Your Petitioner has a deep personal interest and stake in the Companies already chartered, and in their amalgamation, whereby his property will be secured.

That he represents in his own person a large majority of the Stock of both the Railway Companies now in the course of amal-

gamation, and has paid on account of his subscriptions in cash, upwards of £76,000, and beyond this is a bondholder in upwards of £18,000.

That Your Petitioner has not now and never has had any interest in the contracts given out by the Amherstburgh and Saint Thomas Railway Company, or by the Woodstock and Lake Erie Railway and Harbor Company.

That Your Petitioner can assure Your Honourable House that, within a very short period, the whole amalgamated line from the Detroit River to the Suspension Bridge will be in course of construction.

That the chartering of a rival and competing Company will have the effect of preventing the building of the chartered lines in which Your Petitioner is interested, as well as the building of the line proposed to be called the Great Southern Railroad, and the passing of such a new Act of Incorporation will inevitably result in the loss of Your Petitioner's property, and of the public funds invested by the Municipalities upon the faith that Parliament would never sanction, or by its acts abet such wholesale destruction, or at all prejudice interests created under its most solemn sanction.

That contracts have already been entered into for the construction of upwards of 200 miles of the whole line between the Detroit and Niagara Rivers, (upwards of three-fourths of the whole distance,) and sums over £150,000 have been paid to the Contractors on account of such contracts.

That Your Petitioner believes that the four Petitioners for the Act to incorporate the Great Southern Railway Company are not the real promoters of the scheme, but that the true cause of the movement is traceable to the legal disarrangement, by Mr. Zimmerman's death, of plans which promised in their fulfilment a large profit to Mr. Zimmerman and all whose interest as sharers therein with him, ceased upon his death.


That while he regrets that the death of Mr. Zimmerman has interfered with the completion of contracts, which, living, he might have entered into not only for his own advantage, but for the bene-

fit of others who would probably have shared them with him, under executory arrangements made in his life-time, and wholly dependent upon his life, Your Petitioner trusts that Parliament will not regard the disappointments arising from the act of Providence as a legitimate basis on which to seek, at the hands of the Provincial Legislature, the grant of a Charter for a rival and competing Company, by way of compensation for losses beyond its control; and Your Petitioner confidently relies that Parliament will, in its wisdom, determine to uphold the interest of Your Petitioner and others which, by the six several Acts above referred to, it has created, acknowledged and confirmed; and that the Legislature will refuse to commit the act of destruction to the large amount of property which the promoters of the Bill to incorporate the Great Southern Railway Company are seeking, and which, should it become law, will be its inevitable result.

Your Petitioner, therefore, humbly prays that Your Honorable House will preserve Your Petitioner's property as established by the law of the land, and that you will not allow the Bill to incorporate the Great Southern Railway Company to become law.

ISAAC BUCHANAN.

HAMILTON, 20th April, 1857.



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EVIDENCE

Before the Railway Committee of House of Assembly.

SATURDAY, 9th May, 1857.

Examination of Isaac Buchanan, Esq.

QUES. 1. How did you become connected with the chartered Companies forming the Southern Chain of Railways, and with what object?

ANS. I got hold of the Stock of the Great Southern Railways to offer *pro-rata* to the Shareholders of the Great Western Company. I had been associated and working for the Great Western since its commencement, or eleven years ago, having moved the first resolution at the meeting originating it in 1845. I felt my interest and those of Hamilton identical with the Great Western Railway. Those co-operating with me had for many years objected to the construction of the Southern Road until the success of the Great Western Railway was secured. We had done this for the single reason that the Great Western Line was the best for the interior of Canada, and would never have been built if not built before the Southern Line which clearly is the best *through* route. The time had come when we had given up the feeling that with justice we could oppose the construction of the second line. This fact was yielded publicly by our application for a Charter to build a second track on the Great Western Line; for this second track the money was ready in London, and my movement in connection with the Chartered Companies forming the Southern chain of Railways had the simple object of getting for the Shareholders of the Great Western Railway, the option or privilege of building their second track along the vastly more favorable line of the Southern Railway, instead of along the present circuitous and difficult line of the Great Western Railway. Mr. Harris, my partner, then President of the Line, was then in England, and from my long

connexion with the Company, and having been a Director, it was thought that I was the natural party to move. I had the concurrence of all the Directors of the Great Western in Canada except Mr. Brydges. I had no object of personal profit; and any advantage which could be derived from purchasing lands at the various stations along the line, or any balance remaining which might be made of the two and a-half per cent. which had been laid aside for premiums to be given to the original promoters, or parties controlling the charters, were all to be applied to create a fund for annuities and other reliefs to the decayed or distressed employees of the Railroad; this fact is known to many parties outside the Great Western Railway, and among the rest to Mr. J. W. Keating, one of the petitioners for the Great Southern Railway Charter now before the Committee. Mr. J. W. Keating was at that time engaged in purchasing, for the Great Western Railway, of station grounds on the Sarnia Branch, and was expected to be employed in the same duty along the Southern Line which led him into a knowledge of the views of Mr. Radcliffe, the Vice-President of the Great Western, and of myself.

Q. 2. How did you propose to effect that object as to the Eastern and Western lines?

A. The capital of the Western end was £1,000,000 currency, and the capital of the Eastern end was the same amount. We proposed to amalgamate the Eastern and Western Charters. The Acts of 18 Vic., chap. 179, and the 19 Vic., chap. 74, and the 18 Vic., chap. 183, provided for an amalgamation of these two charters with the object of forming one entire chain of Railway to constitute a through Southern Line. The Municipalities mentioned in the Act 19 Vic., chap. 74, passed last Session, have passed By-Laws to carry out provisions of said amalgamation, and the Boards of Directors in the Companies formed under both the Eastern and Western Charters have passed amalgamation agreements. Serious difficulty was for some time experienced in arranging the amalgamation arising out of the rival pretensions to the Presidency of Mr. Rankin and Mr. McLeod, who severally

represented two rival Boards, elected under the Charter of the Amherstburgh and St. Thomas Railway. The late Mr. Zimmerman and I eventually fell upon a plan to get quit of this. We arranged that the Directors of the Woodstock and Lake Erie or Eastern Link of the chain should pass the amalgamation agreement, and that this should be accepted and passed by both the rival Western Boards, thus giving no preeminence to either.

Q. 3. Did you directly or indirectly reserve to yourself any interest ?

A. I have answered this question before. I again repeat, that in no way whatever did I expect to receive any personal advantage in connexion with the possession of these Charters, and that as a matter of fact I have received no such advantage.

Q. 4. Did you ever offer Mr. Rankin fifty thousand pounds to secure his interest in promoting your views.

A. The only approach to such a thing was that he asked for a contract and that I said that no doubt the *friends* of the Great Western Railway, if we built the line, would have or receive a preference of the contract, he asked what I supposed Mr. Zimmerman would make by the contract of which we had given him a preference on the 50 miles of the Sarnia Branch of the Great Western Railway, Mr. Rankin repeated that he desired a contract, I said that I would introduce him to a practical contractor, who I had no doubt would co-operate with him, and through whom I had no doubt such an amount could be secured to him. I think I said the Company would do everything they could to make the arrangement as secure as possible, for Mr. Rankin, and with the concurrence of the contractor alluded to, with whom he was to be connected, might stop from such payment a certain per centage. Mr. Rankin said that he did not wish any such arrangement, for that he desired to be a party to any contract in the ordinary way having all the risks as well as all the profits of a contractor. The other contractor alluded to was the only one who had been spoken to about the preference of a contract, and except with Mr. Rankin, such an agreement has not been entertained with any other person,

the services of this other contractor, were that he had arranged to get the Great Western Railway, the control of the Eastern Charter, a thing necessary to be accomplished before we took the responsibility of acquiring the million of pounds of stock, created by the Charter of the Amherstburgh and St. Thomas Company.—The agreement with this gentleman, with whom I supposed Mr. Rankin would be associated as a sub-contractor, will be the best means of explaining the agreement which I proposed on behalf of the Great Western Railway, to have with Mr. Rankin. The agreement with this contractor Mr. J. B. Vanvoorhis, is thus alluded to in my agreement made in England with Messrs. Samuel Zimmerman and George Wythes, by which it was arranged that in consideration of my transferring to them all my interest in both the Eastern and Western links of this Southern Railway Chain, I should get the moneys outlayed by me returned, during the progress of the roads' construction and the agreements I had made with others carried out. “And whereas the said Issaac Buchanan “has engaged to give J. B. Vanvoorhis a preference to make 35 “miles of the Woodstock and Lake Erie Railway, not including “superstructure, providing no other person shall be willing to “undertake the same on lower terms.” “Now this agreement “witnesseth that the said Samuel Zimmerman and George Wythes “shall give J. B. Vanvoorhis preference of a contract for the con- “struction of 35 miles of the Woodstock and Lake Erie section “of the amalgamated line, not including superstructure, provided “the said Samuel Zimmerman and George Wythes cannot enter “into a more advantageous arrangement with other parties.”—There was no idea of giving Mr. Rankin a greater price than any other respectable contractor, the contract proposed was in fact a thing whose only value consisted in the contractor being in the hands of friends bound in honour to give him a contract at fair prices, even although other parties knowing of this arrangement might try to get an advantage over him, by tendering under the usual rates. Except what is included in the foregoing, I am not aware that anything passed between Mr. Rankin and me which

could give rise to the idea of my having the desire to bribe him to support the interest of the Great Western Railway, except that admitting as I do and have ever done, that he, like others, had promoted the charter of the Amherstburgh and St. Thomas Railway, I intimated to him as to the others my readiness to acknowledge his choice by allocating to him a fifth part of the premiums which the Great Western Shareholders were to pay, or £5,000 currency, which sum, however, he spurned, as being altogether inadequate to his pretensions.

Q. 5. What stake have you in the Railway?

A. I have paid for Shares in the Amherstburgh and St. Thomas Railway	£ 50,375	0	0
I have paid for shares in the Woodstock and Lake Erie Railway	25,250	0	0
I am a Bondholder of the Woodstock and Lake Erie Railway for money, a large part of which went to pay to the Government the interest due to the Consolidated Loan Fund on £145,000 currency, borrowed by the Mu- nicipalities, and invested in the Woodstock and Lake Erie Railway	18,326	7	6
I have made advances to the two Companies on the faith of the amalgamation, about	3,000	0	0
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	£96,951	7	6
I have, besides the foregoing, a responsibility to pay up the balance of shares subscribed in the Amherstburgh and St. Thomas Railway for £500,000	£450,000	0	0
And a responsibility to pay up shares in the Woodstock and Lake Erie Road for £2,250.	2,000	0	0
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	£548,951	7	6

From my previous evidence it must be evident that I entered into this responsibility expecting to be immediately relieved of it

by the Great Western Railway. I may also mention that I have found it impossible subsequently to get relieved from it, in consequence of interruptions to the amalgamation, first from Mr. Rankin's Chancery suit, and afterwards from his personal pretensions connected with the Charters, together with the bringing in by Mr. Rankin of the present Bill for a new Charter to cover the same ground pre-occupied by Charters in my possession, which, as I have explained, I have been always ready to give over to any parties who could immediately construct the road, without any remuneration in any shape to me personally.

Of this, Mr. Morrison produced the best evidence in his explanation, when he put in to the agreement in reference to the Amherstburgh and St. Thomas and Woodstock and Lake Erie Companies, gone into in Liverpool on 26th September last, between Messrs. George Wythes and Samuel Zimmerman, and my brother, Peter Buchanan, for me. I may mention that the evils flowing from the unfortunate causes alluded to are not confined to myself, but are felt by hundreds of customers and correspondents of mine in this Province.

Q. 6. Is the line under contract ?

A. The line from the Detroit River on the west to St. Thomas is under contract, being 135 miles ; the line from Simcoe to the Suspension Bridge is also under contract, being about 70 miles ; and the only part of the through line which is not under contract, is the line between St. Thomas and Simcoe, being about 40 miles. There is also under contract the cross-road from Woodstock to Port Dover, about 40 miles. And upon all these contracts there has been paid to the contractors £150,000, viz : £100,000 on the Eastern end of the line, and £50,000 on the Western end of the line.

Q. 7. Has the Hon J. C. Morrison interfered in these matters, and what was the amount of his interference ?

A. On 7th August last, the day on which the election of Directors of the Amherstburgh and St. Thomas Railway occurred, at Amherstburgh, the Hon. Joshph C. Morrison appeared with his friend, Mr. Zimmerman.

Mr. Morrison was also a very old friend of mine, and he explained to me, that he felt it his duty to disregard all other considerations, and to interest himself in the transactions then going forward, on account of his being the representative of Niagara, which is so vitally interested in the Southern line being no longer delayed. It is to Mr. Morrison subsequently being willing for the same purpose, to become President of the Southern line, about to be amalgamated under one company, that we were indebted for the amalgamation being on the eve of consummation, when Mr. Rankin's present movement alarmed the Capitalists, whom we expected to induce to subscribe £300,000, and to pay £30,000 before the 19th of this month as *directed* by the Act of the Woodstock and Lake Erie Railway. I may mention that Mr. Morrison has been most anxious to see all Mr. Zimmerman's agreements fulfilled, and in connexion with Mr. Zimmerman's Trustees, was willing on behalf of Mr. Zimmerman's estate, to claim nothing in the way of prospective profit. They were willing, if Mr. Zimmerman's agreements were fulfilled, to be satisfied to give up all interest in the line on the following conditions, viz: the re-payment of Mr. Zimmerman's advances, the completion of the line to the Suspension Bridge, and the manufacture of the Railway Stock at the Niagara works, at the usual prices; I understood, therefore, that Mr. Rankin's application for the fulfillment of Mr. Zimmerman's agreement with him was viewed favorably, and was not settled in consequence of some additional claim made by him, arising out of a sub-contract, or sub-contracts which he had promised to other parties. Mr. Morrison has all along expressed himself most anxious to have Mr. Rankin satisfied, simply in deference to the late Mr. Zimmerman having made the agreement, although no man could have expressed more surprise than Mr. Morrison, on hearing after Mr. Zimmerman's death, that such an agreement existed.

Q. 8. What has been the cause of the works on the line not being proceeded with, prior to Mr. Zimmerman's death?

A. The causes of the works on the line not being proceeded with, prior to Mr. Zimmerman's death, were the impediments thrown in

his way to amalgamation ; had these impediments not existed, we could have got the money to build the road in January last, in England ; subsequent to that month, the money market in England has been in a declining state, and the money could not have been got. There is nothing to prevent the works being preceeded with, and immediately completed, the first moment there is an improvement in the money market in England, if the roads are amalgamated and no competing charter granted. I before mentioned the answer to this question, viz : that the impediments to amalgamation, or in other words, to the progress of the works have been the existence of the Chancery suit, and the pretensions to the Presidency of the Company of the Amherstburgh and St. Thomas Railway Company of Mr. Rankin.

Q. 9. Since his (Mr. Zimmermann's) death, were negotiations renewed for the purpose of amalgamating and settling the differences of three Boards ?

A. Yes ; they were renewed and were successful, and the three Boards of Directors have actually passed the amalgamation agreement, which I beg to hand into the Committee as follows :

THIS INDENTURE, made the Tenth day of January,* in the year of our Lord One Thousand Eight Hundred and Fifty-Seven, between the Woodstock and Lake Erie Railway and Harbour Company, of the first part ; and The Amhertsburgh and St. Thomas Railway Company, of the second part.

Whereas, by the Act of the Parliament of this Province, passed in the sixteenth year of Her Majesty's Reign, entituled " An Act " to empower any Railway Company whose Railway forms part " of the Main Trunk Line of Railway throughout this Province, to " unite with any other such Company, or purchase the property " and rights of any such Company ; and to repeal certain Acts therein " mentioned incorporating Railway Companies," it was amongst

* This is the date on which it was originally, by Mr. Zimmerman's request, passed by the Woodstock or Eastern Board, and sent to the Municipalities and Ratepayers for their sanction. It was assented to by both the Western Boards on the twenty-eighth day of April.

other things enacted, that it should be lawful for any two or more of the Companies formed or to be thereafter formed, for the purpose of constructing any Railway, which should form part of the Main Trunk Line of Railway, contemplated by the Legislature in passing the Act of the then last Session of the Provincial Parliament, entitled "An Act to make provision for the construction of "a Main Trunk Line Railway throughout the whole length of this "Province," to unite together as one Company, or for any one of such Companies to purchase and acquire the property and rights of any one or more of such Companies: And further, that it should be lawful for the Directors of any such Company as aforesaid, to agree with the Directors of any other such Company or Companies, that the Companies they respectively represent should be united as one Company, or that one of such Companies should purchase and acquire the property and rights, and take upon itself all the liabilities of the other or others; and by such agreement to fix the terms upon which such union or such purchase should take place,—the rights which the Shareholders of each Company should possess after such union or purchase, the number of Directors of the Company after such union, and who should be such Directors until the then next election—the period at which such next election should be held,—the number of votes which the Shareholders of either Company should respectively have thereat, and the Corporate name of the Company after any such union,—the time when the agreement should take effect,—the By-laws which should apply to the united Company, and generally to make all such conditions and stipulations touching the terms upon which such union or purchase should take place, as might be found necessary for determining the rights of the said Companies respectively, and of the Shareholders thereof, after any such union or purchase, and the mode in which the business of the Company should be managed and conducted after any such union.

And whereas, by another Act of the Parliament of this Province, passed in the sixteenth year of Her Majesty's Reign, entitled, "An "Act to extend the provisions of the Railway Companies Union

“ Act to Companies whose Railways intersect the Main Trunk Line, “ or touch places which the said Line also touches,” it was amongst other things enacted, that the Act passed in the then present Session of the Parliament of this Province, and entitled, “ An Act to “ empower any Railway Company whose Railway forms part of “ the Main Trunk Line of Railway throughout this Province to “ unite with any other such Company, or to purchase the property “ and rights of such Company ; and to repeal certain Acts therein “ mentioned, incorporating Railway Companies,” and all the enactments and provisions therein contained, should extend and apply to and include any Railway Company whose Railway intersects the Main Trunk Line of Railway contemplated by the Legislature in passing the Act of the then last Session of the Provincial Parliament, entitled, “ An Act to make provision for the construction “ of a Main Trunk Line of Railway throughout the whole length “ of this Province,” or touches any city, town, or place which the said contemplated Main Trunk Line of Railway also touches.

And whereas, by the Acts of the Parliament of this Province, passed on the thirteenth day of August, one thousand eight hundred and fifty-one, chaptered respectively seventy-three and seventy-four, the Great Western Railway is declared to be and to form part of the said Main Trunk Line of Railway : And whereas the Railways of the said Company, severally and both of them intersect the Great Western Railway, (being part of the said Main Trunk Line) and touch certain towns and places which the said part of the said Main Trunk Line also touches, that is to say, the Town of Woodstock, in the County of Oxford, and the Town of Windsor, in the County of Essex :—And whereas, by another Act of the Parliament of this Province, passed on the first day of July, in the year of our Lord one thousand eight hundred and fifty-six, entitled, “ An Act to amend and extend the charter of the “ Amherstburgh and St. Thomas Railway Company,” it was amongst other things provided that the said last mentioned Company was thereby empowered to unite with any other Railway Company whose Railway should intersect that of the said Com-

pany, or should touch a place which their road should also touch, and that to such union the provisions of the said Act firstly and secondly above referred to, should extend and apply : And whereas, the Railways of the said Companies, parties thereto, intersect each other at the Town of St. Thomas, and both touch that place :

And whereas, by the Statute of the said Parliament, passed in the eighteenth year of Her Majesty's Reign, entitled, "An Act to amend the Charter of the Woodstock and Lake Erie Railway and Harbour Company," it was also enacted amongst other things, that the said Company should have power and was authorized in pursuance of any resolution to that effect, adopted at a Special General Meeting of the Shareholders, duly convened for that purpose, and by and with the consent of the Municipalities then or thereafter interested in the said Company as Bondholders or Shareholders, or a majority of them, signified by resolution to that effect, to amalgamate and unite with any other Railway Company in this Province, or to lease or sell their line of road or any portion thereof, and appurtenances, or the stock thereof, to any such other Railway Company, or to purchase, buy out, or lease at any other such Railway Company, or the stock thereof, the whole upon such terms and conditions as should be agreed upon, with such amalgamation, purchase, lease or agreement, such other Railway Company was thereby fully authorized to effect with the said Company, upon a resolution to be adopted by the majority of the Shareholders of such other Railway Company at a Special General Meeting to be convened for that purpose, and upon the effecting of any such amalgamation, purchase, lease, or agreement, all the rights, privileges and powers of the Company so amalgamated with, leased, or purchased by the said the Woodstock and Lake Erie Railway and Harbour Company, or by such other Company so amalgamated with, leased, or purchased, should be merged in the said Woodstock and Lake Erie Railway and Harbour Company, or in such other Company, and should be held and applied by them the Woodstock and Lake Erie Railway and Harbour Company, in their own name or in the

name of such other Company as should be expressed in the Articles or Deed of amalgamation executed in the amalgamating Companies to all intents and purposes, as if the same had been granted originally to the said Company whose names shall be retained and expressed in such Articles of amalgamation, and in addition thereto :

And whereas, by another Act of the Parliament of this Province, passed the nineteenth day of June, in the year of our Lord one thousand eight hundred and fifty-six, entitled, "An Act to amend the act of Incorporation of the Woodstock and Lake Erie Railway and Harbour Company," it was further provided amongst other things, that if the said Company should amalgamate or unite with any other Company or Companies, as provided in the third Section of the said next hereinbefore mentioned, it should not be necessary to retain the name of either of such Companies, but the Companies so amalgamating or uniting, might decide and agree upon such name for the amalgamated Companies as they shall please, and should specify or designate such name in the Deed of amalgamation or the agreement to amalgamate or unite, and after such amalgamation or union, such name should be the corporate name of the amalgamated Companies, and under such corporate name they should be invested with and might exercise and enjoy all the rights, powers, privileges, property, benefits and advantages, which otherwise would appertain to the amalgamating Companies, and to all and every of them if such amalgamation had not taken place :

And whereas, the several Municipalities of the town of Woodstock, the Town of Simcoe, the Township of South Norwich, the Township of North Norwich, the Township of Windham, and the Township of Woodhouse, are respectively interested in the said the Woodstock and Lake Erie Railway and Harbour Company as Bondholders ; and the said Municipalities or a majority of them have, in the terms of the said Act of Parliament passed as aforesaid in the eighteenth year of Her Majesty's Reign, entitled, "An Act to amend the Charter of the Woodstock and Lake Erie

“Railway and Harbour Company,” consented that the said Company may amalgamate and unite with the said the Amhertsburgh and St. Thomas Railway Company, and after such amalgamation that the amalgamated Companies may amalgamate and unite with any other Railway Company, on the terms and conditions herein set forth :

And whereas, the said Companies, in pursuance of resolutions to that effect, adopted at Special General Meetings of the Shareholders of the said respective Companies, duly convened for that purpose, have determined and agreed under and in pursuance of the authority in that behalf, conferred in and by the said several Acts of Parliament hereinbefore mentioned or referred to, and every of them, and of all other power and authority with which the said Companies are or may be invested for that purpose, that the said Companies should amalgamate and unite together under and in the name of “The Great South Western Railway Company,” upon the terms and conditions (amongst others) hereafter more fully set forth, and have agreed and determined upon the said name of “The Great South Western Railway Company,” as and for the Corporate name of the said Companies when amalgamated :

Now this Indenture Witnesseth, 1. That the said the Amhertsburgh and St. Thomas Railway Company and the Woodstock and Lake Erie Railway and Harbour Company, in pursuance of resolutions to that effect adopted at Special General Meetings of the Shareholders of the said respective Companies, duly convened for that purpose, and by and with the consent of the majority of the said Municipalities interested in the said the Woodstock and Lake Erie Railway and Harbour Company as Bondholders, (no other Municipalities being in any way interested in the said Company,) in consideration of the clauses, stipulations and agreements herein-after contained, and under and in pursuance and in execution of the powers and authority in that behalf granted or conferred in and by the said several Acts of Parliament hereinbefore mentioned or referred to, and of all other powers and authority with which they

are or may be invested for that purpose either by Act of Parliament or otherwise, do, and each of them with the other, doth hereby agree to amalgamate and unite together as one Company, (such amalgamation to take effect at the time hereinafter appointed and provided) under and by the name of "The Great South Western Railway Company;" and they do hereby specify and designate the said name, to wit: "The Great South Western Railway Company," as and for the Corporate name of the said amalgamated Companies; under which said Corporate name they are hereby invested with, and shall and may exercise and enjoy all the rights, powers, privileges, property, benefits and advantages which otherwise would appertain to the said amalgamating Companies, and to all and every of them, if such amalgamation had not taken place.

2. And whereas, the Capital Stock of each of the said Companies is One Million Pounds currency; it is hereby declared, determined and agreed that the Capital Stock of the said amalgamated Companies, under the said corporate name of "The Great South Western Railway Company," shall be and is hereby fixed and settled at the sum of Two Million Pounds currency, being a sum equal to the combined capital of the said Companies before their amalgamation.

3. And whereas, the shares in the Capital Stock of both of the said Companies before the said amalgamation, were twenty-five pounds currency each; and the several Shareholders in the said Companies, by the charter of the said respective Companies, and the several Acts of Parliament amending the same, were each entitled to one vote for each share; it is hereby further determined, declared and agreed that every person or party having stock in the said the Woodstock and Lake Erie Railway and Harbour Company, in shares of twenty-five pounds currency each, immediately before and at the time of said amalgamation, shall, immediately upon and after such amalgamation, be and become Shareholders of an equal number of Shares of the Capital Stock of the said amalgamated Companies; and on the application, in writing, of such person or party, the proper entries shall be made

in the Stock Books or Share Registry of the said amalgamated Companies, showing such person or party to be proprietor of the Shares ; and, on surrendering and yielding up to the Secretary or other proper Officer of the said amalgamated Companies, the Scrip (if any) formerly issued for such Stock or Shares, such person or party shall be entitled to receive the Scrip of such amalgamated Companies for such Stock ; and that every person or party having Stock in the said the Amherstburgh and Saint Thomas Railway Company, immediately before and at the time of the said amalgamation, shall, immediately upon and after such amalgamation, be and become Shareholders in the Capital Stock of the said amalgamated Companies of the like number of shares so previously held in the said Company ; and on application, in writing, of such party or person, the proper entries shall be made in the said books of the said amalgamated Companies, showing such person or party to be the proprietor of such shares ; and on surrendering and yielding up to the Secretary or other proper Officer of the said amalgamated Company, the Scrip (if any) formerly issued for such Stock or Shares, such person or party shall be entitled to receive the Scrip of the said amalgamated Companies for the Stock or Shares to which he may then be entitled, so that the Shares in the Capital Stock of such amalgamated Companies shall be of one uniform amount, and each of such shares shall be of the amount of twenty-five pounds currency.

4. And it is hereby further determined, declared and agreed, that each and every Shareholder of Stock in the said amalgamated Companies, shall be entitled as well in the Election of Directors as upon all other occasions, to one vote, and no more, for each full Share of twenty-five pounds currency held by such Shareholders, whereon ten pounds per centum shall have been paid, up ; and this provision shall apply as well to Stock or Shares to be subscribed after such amalgamation as aforesaid, shall have been effected as to other Stock, provided always, that notwithstanding anything herein contained, no Shareholder shall be entitled to vote on any Share in respect to which he shall be in arrear for calls

made thereon; and if it should happen that in converting the Stock or Shares held by any Shareholder before the said amalgamation, in either of the said Companies into even Shares of twenty-five pounds currency each, in the Capital Stock of the said amalgamated Companies, there shall remain an integral sum or portion of such Stock of an amount under twenty-five pounds, the proprietor of such Stock shall be entitled to hold the same as an integral portion of a share, and to claim and receive proportionate dividends thereon; but such integral portion of a share shall not entitle the holder thereof to vote by reason or on account thereof, either in the election of Directors or otherwise.

5. And it is hereby further determined, declared, and agreed that aliens as well as British subjects, and whether resident in this Province or elsewhere, may be Shareholders in the said amalgamated Companies; and all such Shareholders shall be entitled to vote on their shares equally with British subjects, and shall also be eligible to office in the said amalgamated Companies.

6. And it is hereby further determined, declared, and agreed that the number of Directors for such amalgamated Companies (to be elected by the Shareholders) shall be eleven, who shall elect yearly from amongst themselves a President and Vice-President; and that the Directors of such amalgamated Companies shall, at and after the expiration of the current year, be elected yearly, on the second Tuesday in July, in each year, or at such other time at such place as the Directors for the time being shall, by Resolutions or By-laws, from time to time, appoint or direct; and that the first Election of Directors for such amalgamated Companies (by the Shareholders,) after the said amalgamation, shall take place on the second Tuesday in July, in the year of our Lord one thousand eight hundred and fifty-sevn, or at such other time as the Directors of such amalgamated Companies, by Resolution or By-law, shall appoint or direct; the current year herein mentioned being the period from the time this agreement is appointed to take effect until the second Tuesday in July, one thousand eight hundred and fifty-seven, inclusive; and the Directors for the time being of the said

amalgamated Companies as hereby invested with, and authorized and empowered, after the said amalgamation, to exercise as well in filling up vacancies in their Board and the making of By-laws as in all other matters and things whatsoever, all and every the powers and authority which the Board of Directors of either or both of the said Companies hereby agreeing to amalgamate, might or could, before such amalgamation, lawfully exercise; and that in all things touching or concerning the Election of Directors for the said amalgamated Companies not herein provided for, the provisions of the original charter of the said the Amherstburgh and Saint Thomas Railway Company, and of the several Acts altering or amending the same, shall govern and be in force.

7. And it is hereby further determined, declared, and agreed, that for and during the current year, that is to say, from the time this agreement is appointed to take effect until the second Tuesday in July, 1857, the following persons shall be Directors of the amalgamated Companies, that is to say, that Hon. J. C. Morrison, George Southwick, Geo. McBeth, Joseph Sudworth, Thos. G. Ridout, Isaac Buchanan, Joseph A. Woodruff, John McKay, John McLeod, and Theodore Park.

8. And it is hereby further determined, declared, and agreed that such of the Bylaws of the said the Woodstock and Lake Erie Railway and Harbour Company, as are not inconsistent with the provisions of this agreement, nor with the spirit and object of it, shall be in force and apply to the said amalgamated Companies; any or all of the said By-laws, however, may be repealed or altered, and other and different ones made, from time to time, by the Directors of the said amalgamated Companies, that after this agreement shall be appointed to take effect, the qualification of a Director in the said amalgamated Companies, shall be stock held in said Companies; by such Director to the amount of £250 at the least, on which ten per cent. at the least shall have been paid up; and that a quorum for the transaction of business shall consist of such number of the Directors as shall be fixed by resolution or By-law of the board of the amalgamated Companies, and until the

number for a quorum shall be fixed, a quorum shall be composed of a majority of the Directors.

9. And it is hereby further determined, declared, and agreed that, immediately on this agreement taking effect, and the amalgamation herein contemplated or agreed upon being accomplished, the said amalgamated Companies shall, and hereby do, under and in the name of "The Great South Western Railway Company," assume and undertake the performance, payment, and discharge of all the debts, contracts, engagements, and liabilities of both the said Companies hereby agreeing to amalgamate.

10. And it is hereby further determined, declared and agreed that, in consideration of the clauses, provisions, stipulations and agreements herein contained, the said Companies hereby amalgamating or agreeing to amalgamate, do, and each of them doth hereby grant, bargain, sell, surrender, assign, transfer and set over unto the said amalgamated Companies, by and in the corporate name of "The Great South Western Railway Company," and their successors, all and singular the houses, lands, tenements, hereditaments, premises, railways, harbours, docks, channels, creeks, wharves, piers, buildings, erections, works, ways, waters, franchises, easements, rights, privileges, powers, advantages, goods, chattels, stock, credits, contracts, property, assets and effects whatsoever, which the Woodstock and Lake Erie Railway and Harbour Company, and the Amherstburgh and Saint Thomas Railway Company, respectively, or either of them have, hold, claim, challenge, demand, exercise, use, occupy, possess or enjoy, or are or may be entitled to : To have and to hold the same to the said amalgamated Company and in the said corporate name of "The Great South Western Railway Company," and their successors forever, from and after the time herein appointed for this agreement to take effect ; to be by them at all times thereafter, by and under the said corporate name, had, held, exercised, realized, dealt with, possessed, used and enjoyed in as full and ample a manner as the said amalgamating Companies respectively, or either of them, could, might or would be entitled to have, hold, exercise, realize, deal with, possess, use.

or enjoy the same, or any part thereof, if the said amalgamation had not taken place or been concluded or agreed upon.

11. And it is hereby further determined, declared, and agreed, that the said amalgamated Companies shall and will put that portion of their Railway from Woodstock to Port Dover in running order simultaneously with the rest of their line of Railway.

12. And it is hereby further determined, declared, and agreed that (subject to the conditions hereinafter contained) this agreement shall take effect, and the said amalgamation and union be and become complete, effectual and perfected at twelve o'clock, noon, on the _____ day of _____

In Witness Whereof, the said the Woodstock and Lake Erie Railway and Harbour Company, and the said the Amherstburgh and Saint Thomas Railway Company have caused their respective Corporate Seals to be affixed hereto, the day and year first above written.

Signed, Sealed, and delivered, {
in the presence of }

Two other copies of this agreement exist, one in the possession of each of the rival Boards, under the Amherstburgh and St. Thomas Charter, which have both passed it.

Q. 10. What was the cause of the amalgamation not being completed ?

A. The cause of the amalgamation not being completed is the reluctance formerly alluded to of the capitalists, who were expected to subscribe £300,000 in the Woodstock and Lake Erie Railway, and pay £30,000 : this reluctance has been caused by the introduction of the new through charter by Mr. Rankin, and in present circumstances the holders of the £750,000 stock, subscribed in the Amherstburgh and St. Thomas Railway, on which £75,000 has been paid, feel that it would be imprudent to consummate the amalgamation until they see Mr. Rankin's Bill thrown out, as if it passed they would find themselves not only deprived of the power of proceeding with the construction of the amalgamated railways, but they would also find that the amalgamation

had effected nothing except amalgamating their large subscriptions and deposits now lying in the Bank with the large debts of the Woodstock and Lake Erie Railway. It is the opinion of the Shareholders of the Companies to be amalgamated, that if the new through charter were granted, no southern road could be built.

Q. 11. Have the three Boards of Directors and the two Lines of Railway, passed resolutions to perfect the amalgamation in accordance with the intention of their charters and the Act of last session authorizing the passage of By laws by the Municipalities?

A. The three Boards have passed resolutions and perfected the agreement under the provisions of the Act of last session, and the assent of the Municipalities has been obtained by the passage, by the ratepayers, of a necessary By-law in each Municipality.

Q. 12. Upon what ground did Mr. Morrison, as the friend of the Zimmerman Estate, press the claim of Mr. Rankin to be carried out?

A. Mr. Morrison pressed this simply out of respect to the late Mr. Zimmerman.

Q. 13. Upon what conditions did Mr. Zimmerman's Estate decline taking a share in the contract?

A. I have already stated these conditions, viz: the re-payment of his actual outlay, the completion to the Suspension Bridge of the Southern Road, the construction of the rolling stock at the Niagara works at the usual prices, and the offer to carry out his agreement with Mr. Rankin, which was understood to be his only agreement in writing.

Q. 14. Are you acquainted with the localities of the present line of road between the Detroit and Niagara Rivers, and also with that proposed by the new Bill?

A. Yes; since 1830 I have known them intimately.

Q. 15. State the difference of length between them, assuming the former to pass through Otterville and Simcoe?

A. The difference of length will occur only between St. Thomas and Simcoe; the difference in that space would be from three to five miles. There are deep ravines on the straight line, and it is impossible to build a road on the straight line. The difference

between the straight line and a line by Otterville might be seven miles, but the difference between any practicable route and the line by Otterville will not exceed four miles.

Q. 16. How much of the Woodstock and Erie Road can be used in the through line proposed under the amalgamated charter?

A. About seventeen miles, two-thirds of which is already graded and the bridges built. I may mention that the bridges are built along the whole thirty-nine miles from Woodstock to Port Dover, and two-thirds of the whole graded.

Monday, 11th May, 1857.

EXAMINATION OF MR. BUCHANAN CONTINUED.

Q. 17. Is it true, as alleged in the petition of Mr. Keating and others that there was no prospect of a satisfactory adjustment of the difficulties alluded to therein, at the time of presenting that petition?—*Ans.* Subsequent to Mr. Zimmerman's death there has been the same progress which would have been, had he lived, and probably more.

This fact was so notorious, having been published in every newspaper in the country in consequence of a malicious cry having been got up, that in the progress of transactions subsequent to Mr. Zimmerman's death his interest or estate has not been so well protected as if he had been alive.

To shew, therefore, that in giving out the contract, I had attended scrupulously to the Interests of Mr. Zimmerman's estate, I have produced and published the following evidence of transactions connected with the giving out of the contract.

The first document is a letter written by me to the representatives of George Wythes, and Samuel Zimmerman, who jointly had gone into an agreement which was produced by Mr. Morrison at the first sitting of this committee, for a contract to build the whole line from the Detroit to the Niagara River. This agreement was dated in England, at Liverpool on the 26th September last.

With a view to the actually giving out of the Western half of this contract I wrote to the representatives of these contractors about a week after Mr. Zimmerman's death, as follows :

HAMILTON, 21st March, 1857.

To J. C. Street, Esq., representing Geo. Wythes, Esq., of Reigate, England, and Miles O'Reilly, Esq., for himself and as representing the late Samuel Zimmerman, Esquire.

GENTLEMEN,—

Mr. McLeod is here and has repeated the former assertion of the Amherstburgh Board of the Amherstburgh and St. Thomas Railway, that they are led to prevent me carrying out my brother's agreement with Messrs. Wythes and Zimmerman only by the indications given by Mr. Zimmerman, of his not being prepared to abide by the charters as to the Western termini.

He offers on behalf of that Board to re-enact the By-Law to secure my property in the Railway, and, with my consent, to give a contract securing the road to go to Amherstburgh, this seeming to be the best, if not the only way to satisfy all parties.

In present circumstances, you seem the proper parties to assume the contract, afterwards to be transferred to, or held for, the parties who are to carry out the agreement aforesaid, to secure my outlay and responsibility for the Railway.

By now taking this contract, you have it in your power to receive for them the substance of that which my brother undertook to put into their hands.

I, therefore, now call on you to take the contract offered, and if you do not do so, with you must remain the responsibility of refusing this practical fulfilment on my brother's part of the agreement aforesaid.

I am, Gentlemen,

Yours, respectfully,

ISAAC BUCHANAN.

To this letter I received the following reply :

HAMILTON, C. W., 27th March, 1857.

Isaac Buchanan, Esq., Hamilton, C. W.

DEAR SIR,—

We have to acknowledge your letter of 21st inst., and to express ourselves prepared to take a contract from the Amherstburgh and St. Thomas Railway Company, for the purposes therein contained, and having especial reference to the fulfilment of your brother's agreement of 26th September last, with Messrs. Geo. Wythes and Samuel Zimmerman; we, therefore, now give you this letter to shew the understanding on which you assent to the Board of Directors of the Amherstburgh and St. Thomas Railway Company giving us the contract about to be gone into.

We are, dear sir,

Yours, respectfully,

M. O'REILLY.

JAMES C. STREET.

Accompanying the foregoing letters I had also published, for the satisfaction of Parliament and the public, before this Bill was introduced by Mr. Rankin, a copy of the proceedings of the Board in giving out the contract, as follows:

Resolution of the Amherstburgh and St. Thomas Railway Directors, at a meeting held at Amherstburgh, on the 28th March last. It was moved by J. W. Ridsdale, seconded by Theodore J. Park, and carried unanimously:

That the Company do now enter into a contract for the construction of the road with Messrs. J. C. Street and M. O'Reilly, the former representing George Wythes, Esq., and the latter representing himself and the trustees of the late Samuel Zimmerman, said contract being for the sum of eleven hundred and twenty-five thousand pounds, and that the President be authorized to sign the same and attach to it the seal of the Company.

I may mention that a similar contract was being prepared in Hamilton, for the eastern half of the line, to be given out by the

Woodstock and Lake Erie Railway and Harbour Company, when I received a telegraph from Mr. Morrison, mentioning that adverse proceedings to our charters were likely to be commenced in Parliament. These proceedings, as embodied in the present Bill before this Committee, have also been the cause, as I before explained, of the amalgamation not being completed and the work not being advanced.

Q. 18. Were you a party to the suit in Chancery between the rival Boards of Directors?—*Ans.* No.

Q. 19. Do you know whether or not the suit referred to has been settled or compromised, and if so, how, when and where?—

Ans. I know that the Board of the Amherstburgh and St. Thomas Railway, at its meeting on the day when the amalgamation act was consented to between the Amherstburgh and St. Thomas Railway, as represented both by Mr. Rankin's and Mr. McLeod's Board, with the Woodstock and Lake Erie Railway, the proceedings all were based on the understanding that that Chancery suit was withdrawn, but otherwise I have no means, as being no party to the suit, to know whether or not instructions have been given to the solicitors on both sides to that effect.

Q. 20. Do you know the petitioners for the Bill in question, or any and which of them?—*Ans.* I know J. W. Keating, but not the others.

Q. 21. Are they in a position to comply with the requirements of the proposed Bill?—*Ans.* Certainly not, as far as I know of.

Q. 22. Do you know any other matter or thing which is material to the question under consideration?—*A.* In thinking over the questions which I answered on Saturday, I feel anxious to explain that, though the share of £5,000 of the $2\frac{1}{2}$ per cent. premium on the Capital Stock, which was proposed to be divided among the original promoters of the railway, was the only thing that I ever offered to Mr. Rankin: that I consented also, on behalf of the Great Western Railway, that we should re-open an arbitration, as desired by him, in the former decision of which he thought great injustice had been done him, and I thought some little injustice

might have been done him. I should also wish to mention what made those acting for the Great Western Railway so anxious not to leave Mr. Rankin in the position of an injured man, even according to his own ideas of right and wrong.

The Great Western Railway had suffered severely in the matter of the land for their right of way, through the interference of parties pretending to be aggrieved, and Mr. Rankin, as Member for the County, had much in his power in this way.

He had also actually threatened that he would use his influence in this way along the whole line, and would make any company who would not connect themselves with him, pay a hundred thousand pounds more for right of way than they would otherwise do.

This threat was made to my agent, Mr. Greer, and a similar threat reported to have been used to Mr. Zimmerman we believed to be the cause of that gentleman's anxiety to have Mr. Rankin's co-operation, as we did not at that time know of the agreement to give Mr. Rankin a share of the contract or £25,000. I am also anxious to state that the interference of Mr. Radcliff, as the Vice-President of the Great Western Railway, and myself, to get the Southern Line as the second track of the Great Western Railway, had two simple objects. We saw that the safety of the lives of the public, no less than the interest of the Great Western Railway, required that the Southern should not be a competing line. The Great Western Railway had cost double what it ought to have done, and even with the most brilliant traffic could not be expected to yield the dividends which we knew were to be insisted on by the Shareholders in England, without a delay in going on with the permanent bridges and other structures of the Great Western Railway, thus causing great risk to the lives of the public.

Then as regards the interest of the Great Western Railway we saw that it can never compete with the Southern line in carrying cheaply.

The Southern line, as a double track with permanent bridges could be built for less than the single track of the Great Western Railway now costs, by some thousand pounds.

This was the cause of our anxiety to see the lines united, and we intended to satisfy the public that no monopoly would be caused by arranging in the amalgamation agreement that any monies earned over ten per cent. should first be laid out on permanent structures and station buildings, and afterwards applied to the reduction of fares.

We believed that the Southern line could carry passengers and freight direct from the Detroit to the Niagara Rivers for one-half of that the Great Western could carry it.

The expense of each train on the Great Western Railway is 6s. currency per mile, which is more than the average revenue of lines in England.

And as an engine on the light grades of the Southern line could draw double the weight that it could on the heavy grades of the Great Western Railway, the cost to the Railway would not be more than one-half, even if the fact that a double track carries more than double a single track were not considered—

It is calculated that it will carry four times as much.

CROSS-EXAMINATION.

[By Mr. Powell,] *The Counsel in support of the Bill.*

Q. 1. In what Bank did the notices emanating from the Provisional Directors of the Amherstburgh and St. Thomas Company require the deposit money in the Stock to be paid; and were the terms of such notices complied with by board representing the Zimmerman interest?—A. In the Bank of Upper Canada. Before the Amherstburgh Board there was no evidence of any except Mr. McBeth. I believe the Zimmerman money was deposited in the Zimmerman Bank. I only know this by hearsay.

Q. 2. Without reference to outlay connected with dishonored paper or other collateral expenses, how much actual and legitimate cash expenditure has been made by you on account of the Amherstburgh and St. Thomas Road, or the Woodstock and Erie Road respectively, and if any, what actual cash have you outlaid on account of the expenses alluded to in the first part of this question?

—*Ans.* I have had nothing to do with dishonored paper, and have not paid anything as expenses thereon, nor am I bound to pay any expenses thereon; the actual cash outlayed by me was stated in my evidence on Saturday in detail, except the sum of £3,000, which, I believe, will be about half for the one Company and half for the other, and consists chiefly of cost of preliminary surveys, expenses in England, and other preliminary charges.

Q. 3. Has any part of the money placed by you in the Bank of Upper Canada, to the credit of the Amherstburgh and St. Thomas Railway Company, been chequed out, and by whom, or does the whole amount deposited still remain in the Bank, subject to the order of the Company, or to any order?—*Ans.* The money placed by me in the Bank of Upper Canada, remains untouched in that Bank. On the completion of the contract of the 28th March, to Mr. Wythes and others, a check for it was given to them, viz. :—£50,000, it being the arrangement under that contract that this and all monies raised in England should lie in the Bank of Upper Canada, at the credit of an account to be called “the Trustees of the Contractors and Company of the Amherstburgh and St. Thomas Railway,” these Trustees being named to be Peter Buchanan and myself as Trustees for the Company, and Thomas G. Ridout and George Wythes, as Trustees for the contractors, two residing in England and two in this Province.

Q. 4. Who signed the check spoken of by you in your last answer?—*Ans.* The check spoken of was signed at Amherstburgh, on 28th March, by John McLeod, the President, by order of, and in the presence of, the Board of Directors after the contract of Mr. Wythes and others had been sealed.

Q. 5. Was the Chancery suit still going on when the cheque was signed, and would the Bank have honored the cheque while it was known that the Chancery suit was going on?—*Ans.* Mr. O'Reilly, the Solicitor of Mr. Zimmerman, from whom the instruction to commence the Chancery suit had issued, had some days before written to Toronto to stop the Chancery suit, and we understood on the 28th March that it was stopped. The proof of

this being our understanding, is that it was upon this distinct understanding that Mr. McLeod and his Board proceeded in giving out the contract. After returning from Amherstburgh to Hamilton, I heard that in consequence of the "cry" that the Zimmerman estate had not got fair play, it was doubtful to what extent Mr. O'Reiley's orders had been acted on in the matter of the Chancery suit. I have no knowledge of the Bank having an injunction put upon the money. I believe there was no injunction in this suit.

The latter part of the question being repeated, witness answered :
 "I cannot tell."

Q. 6. By whose authority did Mr. O'Reilly write to Toronto to have the Chancery suit stopped? *Ans.* I am unaware.

Q. 7. Have you any and what knowledge of the facts connected with the Wallace subscription? Who instigated Wallace to subscribe? Had Mr. Merritt anything to do with the matter?—State all you know in relation thereto.—*Ans.* I supposed that the subscription was quite undoubted up to the period when Mr. Wallace and I were in England. I had previously been told that imputations against it had appeared in some newspapers in Canada, but placed no weight on such reports. The best proof that I considered it good, is that I paid £50,000 on it as the first instalment, trusting that Mr. Wallace would afterwards transfer the stock to me, which he did, and this is the stock transfer for £500,000 Stock with £50,000 paid, (which is shown to the committee.) Upon the 18th of September, in London, I heard repeated the imputations as to the goodness of the subscription, and I immediately called on Mr. Wallace, who at once agreed to proceed to the Mansion House and verify his subscription for £500,000 before the Lord Mayor; proof of this from the Lord Mayor's office I beg now to hand into the Committee. It is as follows:

To all to whom these presents may come, I, David Salomens, Lord Mayor of the City of London, in pursuance of an Act of Parliament, made and passed in the fifth year of the Reign of his late Majesty King George the Second, intituled, "An Act for the more easy recovery of debts in His Majesty's plantations and

“colonies in America,” and also in pursuance of an Act passed in the sixth year of the Reign of his late Majesty King William the Fourth, intituled “An Act to repeal an Act of the then present Session of Parliament, intituled an Act for the more effectual abolition of oaths and affirmations taken and made in various departments of the State, and to substitute declarations in lieu thereof, and for the more entire suppression of voluntary and extra judicial oaths and affidavits, and to make other provisions for the abolition of unnecessary oaths,” do hereby certify that on the day of the date hereof, personally came and appeared before me, William Wallace, named in the declaration hereunto annexed, being a person well known and worthy of good credit, and who did before me solemnly and sincerely declare to be true the several matters and things mentioned and contained in the said annexed Declaration : in faith and testimony whereof, I, the said Lord Mayor, have caused the seal of the office of Mayoralty of the said City of London, to be hereunto put and affixed,

Dated in London the eighteenth day of September, in the year of our Lord one thousand eight hundred and fifty-six.

REYNAL.

I, William Wallace, of Fort Erie, Canada West, Civil Engineer, at present in the City of London, do solemnly and sincerely declare that sometime in May last I was employed by certain gentlemen at Amherstburgh and St. Thomas Railway, and on going to Amherstburgh and seeing the propriety of sufficient stock being subscribed to comply with the terms of the then existing charter, did in the month of May last past, subscribe in my own name the sum of five hundred thousand pounds in the Stock Book of the Company opened by the Provisional Directors of the Commissioners named in the Act of Incorporation, and that I subscribed this sum for the purpose of organizing the Company, because there would be no object in subscribing a less sum, and I make this solemn declaration, conscientiously believing the same to be true, and by virtue of the provisions of an Act made and passed

in the sixth year of the Reign of His Majesty King William the Fourth, intituled, "An Act to repeal an Act of the present Session of Parliament," intituled, an Act for the more effectual abolition of oaths and affirmations taken and made in various Departments of the State, and to substitute declarations in lieu thereof, and for the more entire suppression of voluntary and extra judicial oaths and affidavits, and to make other provisions for the abolition of unnecessary oaths.

WILLIAM WALLACE.

Declared at the Mansion House, in the City of London, this eighteenth day of September, 1856, before me,

D. SALOMENS,

Mayor.

That same afternoon Mr. Wallace admitted to me that the subscription had been originally in pencil, and my fears were for the first time aroused in case this should be considered as not a subscription in the eye of the law. It was Mr. Merritt who first came to me on the subject of Mr. Wallace's stock, so that he then viewed it as a legal subscription for £500,000.

Q. 8. Was the deposit of £50,000 paid into the Bank by Wallace, or by whom and from whom did Wallace get the money to do so if paid in by him? *Ans.* The £50,000 was paid into the Bank of Upper Canada by me, in the name of William Wallace, and the same was lent to William Wallace on the security of John McLeod and Theodore Park, that William Wallace would make the necessary transfer to me of the stock on which this was paid as an instalment.

Q. 9. Did you know Wallace by report or otherwise, before or immediately after his subscription to the Stock, and if so, did you consider his circumstances such as to warrant a *bona-fide* subscription to the amount of £500,000. *Ans.* I had known Wallace for many years, though not intimately. I believed him to be an honest and truthful man, and various people to whom I referred

assured me that this was his character. I suppose that Mr. Wallace would have had as little ability to pay the £500,000 as the petitioners for this Bill would have to construct the Amherstburgh and St. Thomas Railway! I knew that Mr. Wallace enjoyed the confidence of prominent people in Buffalo, among others, Mr. Patchin, the Banker, and owner of the Buffalo and New York City Railway. I understood that this Road, formerly called the Attica Road, had been commenced in exactly the same way, by Mr. Wallace having subscribed for the whole stock, in which the chief citizens of Buffalo afterwards carried him through. I felt satisfied that Mr. Wallace made the subscription of £500,000 *bona-fide*, but I feared that my money might be endangered, through its being decided to have been done in pencil, and afterwards in ink.

Tuesday 12th May, 1857.

CROSS-EXAMINATION OF ISAAC BUCHANAN, ESQ.—CONTINUED.

Q. 10. Did you pay Wallace £50,000 or any and what sum, as a consideration for his transfer of the Stock in the Amherstburgh and St. Thomas Stock to you? *Ans.* I paid into the Bank of Upper Canada by Mr. Wallace's orders, and in his name, £50,000, to the credit of the Amherstburgh and St. Thomas Railway, and it was understood that he should receive a premium on the Stock which he was to transfer to the Great Western Railway, of £5,000, payable in paid up Shares on the Southern road being completed.

It was an object to retain the co-operation of Mr. Wallace, and the other original promoters of the Southern line, until it was finished.

Q. 11. Did you take proceedings in chancery against the Amherstburgh and St. Thomas Board, of which McLeod was President, and if so for what purpose, and did you state in course of such suit that Wallace had acknowledged to you in England that the Stock in the Amherstburgh and St. Thomas Road had not been taken by him according to law?—*Ans.* I took proceedings in chancery against the Amherstburgh and St. Thomas Board, of

which Mr. McLeod was President. The cause of that suit was the attempted repeal of a By-law of that board, called By-law A, which I got passed as an amendment of an original contract with the members of the Board before I agreed to their appointment.—The agreement is as follows: It is agreed between Theodore J. Park, John McLeod, and others who may hereafter sign this agreement, representing an original Stock, taken by such persons, in the Amherstburgh and St. Thomas Railway Companies, of the one part, and Isaac Buchanan of the other part.

In consideration of Shares in the Amherstburgh and St. Thomas Railway Company subscribed for by and in the name of William Wallace, amounting to five hundred thousand pounds, being assigned by the said William Wallace, to the said Isaac Buchanan, he the said Isaac Buchanan agrees to use the power which the assignment of the said Shares shall vest in him, to secure a terminus of the said Railway at Amherstburgh, as well as Windsor, and will make an understanding with the parties to whom he shall transfer such Shares, that they shall carry the said road to Amherstburgh; and it is further agreed between all the parties signing, and who shall sign their agreement, that the said Isaac Buchanan advancing or lending to subscribers the Stock of the said Company, the means of paying the deposit thereof, to entitle them to vote; every co-operation will be afforded by such persons, in satisfying the capitalists whom Mr. Buchanan expects to interest in the immediate construction of the Amherstburgh and St. Thomas Railway, especially that the Directors who shall be appointed at the first election of Directors of the said Company, upon the votes given in respect of such Stock, shall, from time to time, when required, retire from the Board of Directors, to make room for other gentlemen in England, or elsewhere, who may be wished by the Shareholders to be procured by Mr. Buchanan, to be Directors in the said Company.

Signed at Windsor, 15th day of July, A.D., 1856.

(Signed,)

“
“

JOHN McLEOD,
THEODORE J. PARK,
ISAAC BUCHANAN,

Afterwards signed on 16th July.

WILLIAM WALLACE.

These Directors feared that I could not carry out my agreement to take the road to Amherstburgh, and they proceeded to repeal the By-law, with the object, as it appeared to me, of giving out a contract.

I had already arranged a contract for the construction of the road in England, and I got an injunction to prevent a second contract being given out, and also to prevent the deposit in the Bank of Upper Canada being drawn for any other purpose than the English contract to Geo. Wythes and Samuel Zimmerman.

With regard to the last clause of this question, Mr. Wallace stated to me, as I have formerly said in England, that the Stock had been originally subscribed in pencil and afterwards put into ink. This I feared might possibly be viewed as an irregular subscription, as not being strictly in the way anticipated by the Charter, and I declared this in the bill which I filed in Chancery, and on which I got an injunction to prevent all acts by the Directors until it was proved that my stock was good, or in other words, that my deposit ought to be subject to checks of the Amherstburgh and St. Thomas Railway Company.

Q. 12. Was it one of the provisions of the By-Law alluded to in your last answer, that the money invested by you in the Amherstburgh and St. Thomas Railway was not to be used without your consent?—*Ans.* Yes, and that no contract should be entered into without my consent.

Q. 13. Can you produce any evidence to show that Mr. Wythes authorized any person, since Mr. Zimmerman's death to enter into or take action upon any contract on his behalf?—*Ans.* Mr. Wythes, after receiving in England from his agent, Mr. J. C. Street, of Hamilton, a copy of the contract made at Amherstburgh a fortnight after Mr. Zimmerman's death, or on 28th March, wrote to said agent that he would accept that contract.

Mr. Street was to have been here this morning to prove this, but I have just received from him from Hamilton the following telegraph :

TORONTO, 12th May, 1857.

By telegraph from Hamilton.

To Isaac Buchanan,
Russell's Hotel.

Throat and chest so affected that I cannot leave the house.

J. C. STREET.

Q. 14. In what capacity did Mr. Henry DeBlaquiere stand to the Woodstock and Erie Road or Company, and did you ever give or promise to give him £25,000 or any other sum for the purpose of buying up the control of the direction of said Road.—*Ans.* In July last, I did not know Mr. H. De Blaquiere even by sight, and I was not aware that he was a Director of the Woodstock and Lake Erie Railway, which I afterwards found to be the case.

I never had any communication with Mr. Henry De Blaquiere about the $2\frac{1}{2}$ per cent. on £1,000,000, which, on behalf of the Great Western Railway, I had agreed to give to those holding the shares of the Woodstock or Lake Erie Railway, or the power to subscribe these shares to the extent of £1,000,000.

I desired the control of the Railway, for the *bona fide* purpose of enabling the Great Western Railway to subscribe this £1,000,000 or the whole stock.

The parties from whom I got the control offered to get the Directors to allocate to any one for the Great Western Railway, the whole stock of £1,000,000, but this would have required me to pay an additional £100,000 as the first instalment, and therefore, until we could hear from London, I preferred paying the premium arranged for, or £25,000, on the power to subscribe said £1,000,000 being transferred to me, by nearly the whole existing stock being transferred to me, and a Board being appointed on whom I could depend to allocate to the Great Western Railway the balance of the subscribed shares at a future time.

As I have said I had no communication with Mr. De Blaquiere on this subject, but when the shares came to be transferred to me I was introduced to him as one of those who were making the

transfer to me, and I was told to pay the whole amount of premiums £25,000, to him, which I did.

What division of them he made, if any, among the other Shareholders who made transfers to me I am not aware; the whole transaction, as far as I am concerned, was on paper embodied in two documents, which are as follows:

Proposition by J. B. Van Voorhis to Isaac Buchanan.

That Mr. Buchanan on getting an unquestioned possession of the Amherstburgh and St. Thomas Railroad, say on or before the 14th August, shall be prepared to pay one hundred thousand dollars in cash, besides the small sums paid up on the private stock of the Woodstock and Lake Erie Road, in consideration of the following:

The whole shares held in the Woodstock and Lake Erie Railway will be transferred into the names of such persons as Mr. Buchanan may point out, and such persons as Mr. Buchanan may nominate will be appointed Directors of said Company, and if Mr. Buchanan insists on it we are also to furnish him with undertakings by the various Municipal bodies who hold the Company's bonds, to the effect that they will agree not to convert these bonds into shares, but will, within six months be prepared to receive cash for them at par, or at any time hereafter to exchange them for the bonds of the Great Southern Railway.

Hamilton, 5th August, 1857. (Signed,) J. B. VANVOORHIS.

JOHN L. HODGE, Witness.

The other document is as follows:

HAMILTON, 5th August, 1857.

Mr. J. B. VANVOORHIS.

SIR,—On behalf of yourself and friends interested in the shares connected with the Woodstock and Lake Erie Railway and Harbour Company, whose charter I am at present striving to get control of, I promise you on my arriving at the control of the direction of the Amherstburgh and St. Thomas Railway, which I confidently expect to do upon the 7th current, to pay over to such

parties as do give me the control of the Woodstock and Lake Erie Railway and Harbour Company, the sum of £25,000 currency.

The details of this agreement are in a paper headed "*Proposition by J. B. Van Voorhis, to Isaac Buchanan.*"

I am Sir,

Your obedient servant,

ISAAC BUCHANAN.

Q. 15. Where did you obtain the money which you say you had paid into the Bank of Upper Canada for Wallace? Did you pay the ten per cent upon any other stock than that of Wallace? if so, upon what stock? How much did you so pay, and when and where did you deposit the same?—*Ans.* I borrowed the money to pay Wallace's stock from the Bank of U. C. I also paid £375, being ten per cent. on the stock of gentlemen at Amherstburgh, who were fixed on as future Directors.

We were in doubt whether they all had paid their money into the Bank of Upper Canada, and I paid ten per cent. upon the stock of every proposed Director to make sure of this.

Some of them were found to have paid formerly their own instalment into the proper Bank, and in these cases of course 20 per cent. has been paid.

Q. 16. Where has the work been done for which the £150,000 already spoken of by you has been paid, and when was that work done, by whom was it done, and under what contract?—*Ans.* Nearly the whole work done was done by Mr. Zimmerman on contracts of the Woodstock and Lake Erie Railway.

On the Amherstburgh and St. Thomas Railway the ground has only been broken formally, and a Resolution passed by the Directors at Amherstburgh on 28th March, after the contract to Messrs. Street & O'Reilly was signed, authorizing Mr. Street at once to proceed to sound for his gravel pits, a knowledge of whose position is required to guide the Engineer on the line.

Mr. Street's progress was interrupted by the proceedings of Mr. Rankin, in bringing forward the Bill now before the Committee,

Mr. Rankin's step, it was known, would destroy all confidence in England, and render it impossible to build the road.

Considerable outlay has been made by Mr. Zimmerman and others, in preliminary surveys and other preliminary expenses connected with the extensions, East and West of the Woodstock and Lake Erie Charter, but I am not aware of any actual work having been done on them. Mr. Street was prepared to break ground on them the moment the £300,000 was subscribed, and the £30,000 instalment paid thereon, which has been delayed by the introduction of the Bill now before the Committee.

Q. 17. Did Mr. Radcliffe or any other person in Canada, acting with you in this matter, draw upon the Great Western Railway Company for any money to be applied in this transaction? If any, how much? And for what purpose? And was such paper honored, and if not, why not?—*Ans.* Mr. Radcliffe, the Vice-President of the Great Western Railway, stated to the Bank of Upper Canada, that although the Great Western Railway could not legally guarantee the Bank's loan to me to be used for the purpose of the Great Western Railway in securing for the Shareholders thereof, the offer of the Stock for the Southern Line, he would take care to work the Railway's account with the Bank of Upper Canada, in such a way, (by leaving a similar sum at credit of the Railway in the Bank,) as that the Bank should not have any inconvenience in thus going into the views of the Great Western Railway through advancing to me £50,000.

He promised to transfer from England to Canada such an amount, as that the Railway's balance in the Bank would be £50,000 more than it otherwise would have been, until the Bank was relieved of the advance to me of that amount.

Mr. Brydges, the Managing Director, who was the only Director dissenting from the policy of the Great Western acquiring the Southern line, wrote to England misrepresenting this transaction and by this means bills for £40,000 sterling, which the Company drew at the time, were dishonoured in London, as supposed to be connected with this arrangement; and other bills also, to a greater

amount than £50,000 currency, were also dishonoured, upon a false suspicion of having been drawn for moneys to invest in the Southern line.

We were led to adopt this plan from having seen its successful operation some years ago in a similar arrangement between the Government and the Great Western Railway.

At the period alluded to it was of infinite importance for Canada in England that the Great Western Railway should be finished and shewn to be a profitable investment.

Mr. Hincks said that the Government could not legally guarantee the Bank of Upper Canada for a loan to the Great Western Railway, but that he would feel justified, looking to the interests of the Province, to agree that Government deposits should remain with the Bank of Upper Canada to enable that Bank, without inconvenience to its commercial customers, to lend the Great Western Railway the money to complete that road, which the Bank of Upper Canada did.

Q. 18. Has the stock, or any part of the stock, under the Charter to extend the line of the Woodstock and Lake Erie Company, as now existing, been taken? if so, when were the books opened and the stock subscribed?—*Ans.* The stock books for the stock to build the extensions of the Woodstock and Lake Erie Company were ordered to be opened at a meeting of the Board, held on 24th ult., and the Secretary has forwarded books to all the different towns specified in the Act. I have not, however, heard of any stock being taken.

I believe that no stock has been taken as yet, in consequence of the introduction by Mr. Rankin of the Bill now before the Committee.

JAN. 28/31

